



DATE: June 14, 2002

TO: All Local Workforce Investment Areas

FROM: Cheryl A. Brush, Chief, Workforce Systems Bureau

SUBJECT: Procurement Requirements for Youth Programs

The Idaho Department of Labor recently received USDOL Training and Guidance Letter (TEGL) 12-01, which, among other things, speaks to the requirement for competitive selection of providers of occupational training for WIA youth. This TEGL may be viewed at http://wdr.doleta.gov/directives/corr_doc.asp?DOCN=1359.

The essence of this guidance (as well as that in TEGL 9-00, which also addresses this issue) is that providers of occupational skills training for youth program participants must be competitively selected initially, after which service providers may refer youth on an individual referral basis as needed. State staff have been asked in this TEGL to transmit this guidance to local boards, along with applicable state policy on this subject.

In developing state policy on this issue, a number of factors were considered:

- ❑ Local boards in Idaho fund youth service providers that can provide/arrange for/broker the broad spectrum of required youth elements through a cadre of case managers, rather than funding a variety of providers to each deliver specified elements (such as occupational training).
- ❑ Case managers base individual service strategies on the specific interests, aptitudes, needs, and skills of each participant and would be unlikely to anticipate prior to the beginning of a given program year specifically which types and amounts of training would be needed for the individuals served during the course of a coming year.
- ❑ Given that RFPs generally specify deliverables such as the scope and amount of work being procured, it is not clear how one would construct an RFP for unspecified types and amounts of occupational training in such a way that prospective training providers can even submit reasonable bids.
- ❑ Idaho's state procurement rules allow exemptions to procurement procedures when purchases are made between state agencies, which will be the case much of the time in the purchase of occupational training, with Job Service being one of the primary "purchasers" and the state vocational schools being the primary vendor.

To address these concerns, as well as those raised by USDOL, state policy has been formalized which carries forward previous practice and clarifies the applicability of Idaho's broader WIA procurement

requirements, previously adopted by the Workforce Development Council, to the purchase of occupational training for youth.

Generally speaking, existing state policy requires that case managers obtain and compare price quotes on purchases of training that exceed \$5,000 (or a lesser amount if specified by local policy) and requires formal bidding for purchases exceeding \$50,000 in a given year (or a lesser amount if specified by local policy). These requirements have been customized to address purchasing circumstances here in Idaho, as follows:

Occupational training may be purchased for youth participants using informal small purchase methods. Subrecipient staff shall select a training provider after documenting a comparison of the number of price quotes specified in local procurement policy for purchases exceeding the lesser of \$5,000 or the bidding threshold established in local procurement policy. In making a selection, staff shall take into account such considerations as availability of training, related expenses associated with the various sources of training (commuting, lodging, etc.), and individual participant need. Procurement records for such purchases shall include the basis for training provider selection. While documentation of quotes is required only for purchases that exceed \$5,000, “comparison shopping” for all purchases, regardless of amount, is appropriate and encouraged.

In those instances in which a subrecipient has purchased occupational training for youth at a single institution in a single course of study in excess of \$50,000 (or a lesser amount specified in local policy) over the course of a program year, purchase of that course of study will either have to be justified under sole source criteria or will have to be formally procured for the subsequent year. This means that purchasing practices will have to be reviewed each year to determine if the applicable thresholds have been exceeded.

These provisions do not apply to training purchased by one state agency from another state agency, as purchasing between state agencies has been exempted by state policy from WIA procurement requirements.

If you have any questions on this policy, please contact Laura Gleason.